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EYES ONLY

DD/S 64-4613

DD / S R E C I S T

FILE

26 AUG 1964

MEMORANDUM FOR: Director of Security

SUBJECT : Publication of Paper Written by Willard Matthias,
Board of National Estimates

1. There are attached several clippings of newspaper articles concerning the forty-five page paper prepared by Willard Matthias of ON3 which is the subject of considerable press speculation.

2. I talked with Ray Cline this morning about this incident and he states that on 19 February 1964 Matthias drafted a memorandum which he signed that represented a think piece and concerned the situation in South Vietnam. Sherman Kent sent it directly to Mr. McCone and discussed what use might be made of this paper and whether it had any particular merit. It appears that the Director might have shown it to former President Eisenhower and it is very possible that he might have left a copy with Eisenhower. No particular action was taken on this paper, although Sherman Kent at different times raised the question as to what should be done with it and if it should be circulated. At some time in this period, presumably around May, a copy was sent to the Council on Foreign Relations.

3. Later, Ray Cline thought the paper should be circulated in the community. The document had been classified Secret and was declassified and made For Official Use Only. Approximately fifty copies were sent around the community with a transmittal note signed by Sherman Kent. It is known that prior to publication the Republican Committee and the Chicago Tribune each had copies of the Secret version. No one knows how this occurred, but in view of what has occurred before, it would not be difficult for copies to circulate and reach these two sources.

4. This is not a problem of an unauthorized disclosure and no action in this regard need be taken. It does point up, however, the problem of the identification of a CIA official as the author of a working paper in the intelligence estimates field. Matthias has now been widely advertised as

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a CIA official and this will live with him for some time. Mr. Karamessines feels very strongly that intelligence-type estimates which are disseminated outside the Agency should never bear the signature of the author although they may be working drafts. Sherman Kent, on the other hand, likes to see signatures on such papers, presumably on the basis that the authors should get credit for working papers or think pieces.

5. Perhaps we should have an Agency policy in this regard, particularly in the field of intelligence estimates, to differentiate between certain technical documents, particularly in OSI, where there is a limited dissemination to counterparts in other departments of Government on highly technical subjects where the author's name does show. I think that a distinction could well be made here where these technical documents are not in the field of estimates.

6. You might review what Agency policy is in this regard and perhaps come up with a recommendation.

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R. L. Bannerman
Acting Deputy Director
for Support

Attachment:
As stated

ADD/S:RLB:fp
Distribution:
O - Addressee w/atts
1 - DD/S Chrono ref sht
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AUGUST 23, 1964

CIA Official Is Doubtful Of Victory in Viet Nam

By the Associated Press

A Central Intelligence Agency officer has voiced "serious doubt that victory can be won" in South Viet Nam and has suggested the eventual outcome might be a negotiated settlement. Administration sources said yesterday this is not the United States Government view.

The conclusion that no military end to the war against Red guerrillas is in sight was expressed by Willard Matthias, a member of the CIA's Board of National Estimates, in a June 8 paper on "Trends in the World Situation."

Mr. Matthias wrote that the Communist Viet Cong have stepped up their offensive and the counter-guerrilla effort "continues to flounder" under poor prosecution by the Saigon government.

Sees Long Stalemate

Continued large-scale United States support of the anti-guerrilla campaign and an end to "further political deterioration within South Viet Nam" could at least achieve "a prolonged stalemate," the CIA officer said.

Mr. Matthias said there also is a chance that future developments "could lead to some kind of negotiated settlement based upon neutralization." French President Charles de Gaulle has suggested neutralization of the area, an idea coolly received by the United States Government.

Administration sources made the 50-page document available after learning it would be published in the Chicago Tribune.

A cover sheet to Mr. Matthias' paper, signed by Sherman Kent, chairman of the National Estimates Board, stated that the document was circulated "for information." The paper "has general board approval, though no attempt has been made to reach general agreement on every point of it," Mr. Kent said.

Viet Cong Active

Mr. Matthias wrote that "the guerrilla war in South Viet Nam is in its fifth year and no end appears in sight."

"The Viet Cong in the south, dependent largely upon their own resources and control of the Communist regime in the north, are pressing their offensive more vigorously than ever," he said.

"The political mistakes of the Diem regime inhibited the effective prosecution of the war, which is really more of a political contest than a military operation, and led to the regime's destruction."

"The counter-guerrilla effort continues to flounder, partly because of the inherent difficulty of the problem and partly because Diem's successors have not yet demonstrated the leadership and the inspiration necessary."

Situation Is Fragile

"There remains serious doubt that victory can be won, and the situation remains very fragile. If large-scale United States support continues and if further political deterioration within South Viet Nam is prevented, at least a prolonged stalemate can be attained."

"There also is a chance that political evolution within the country and developments upon the world scene could lead to some kind of negotiated settlement based upon neutralization."

Administration sources emphasized these views:

Mr. Matthias was expressing his own views, not those of the United States Government or of any agency within the United States Government. Members of the National Intelligence Estimates Board, a 12-man CIA committee, and others have written numerous papers which are valuable for circulating ideas but do not represent policy.

Mr. Matthias' memo was circulated among a few lower-ranking officials but was never given to the policy-setting National Security Council. It was submitted for publication to a magazine, which turned it down.

The anti-guerrilla campaign in South Viet Nam may be long and arduous, but the United States Government is fully committed to stemming the insurgents there, and believe this will be done.

The United States Government sees no grounds for negotiation with the Reds over South Viet Nam at this time. A negotiated settlement already has been reached at the Geneva conferences on Indo-China and it is up to the Communists to quit their guerrilla aggression.

NEW YORK HERALD TRIBUNE

AUGUST 23, 1964

A View Within CIA: Can't Win in Viet

By Laurence Barrett
Of The Herald Tribune Staff

WASHINGTON.

A ranking Central Intelligence Agency official believes there is "serious doubt" that the Communist rebellion in South Viet Nam can be quelled and says a "prolonged stalemate" might be all the West can hope for.

This conclusion, reached in a scholarly paper called "Trends in the World Situation," promises to set off a political explosion because of Sen. Barry Goldwater's determination to make the Vietnamese war a major campaign issue. The Republican Presidential candidate accuses the Administration of being timid and feckless in dealing with Communists.

Although the CIA was prepared to allow publication of the entire paper in a scholarly journal, the Administration became concerned when it learned that one newspaper—the Chicago Tribune—had acquired a copy. The newspaper was understood to be planning a story on the document today.

The State Department took the unusual step of

attempting to reduce the impact of the story by making the paper available to a small group of State Department reporters Friday night. At the same time, Secretary of State Dean Rusk reportedly said the document did not represent the Administration's viewpoint.

Mr. Rusk was said to have emphasized that the paper was the work of one man only—the author, Willard Matthias—and that it had no official status. Other sources said the paper was not an official appraisal by CIA's Board of National Estimates, even though Mr. Matthias is a member of that important body and even though other board members saw the report and approved it in general terms.

The 45-page paper, dated June 9, 1964, touched on virtually every aspect of the cold war. Its controversial section on South Viet Nam consisted of these lines:

"The guerrilla war in South Viet Nam is in its fifth year and no end appears in sight. The Viet Cong in the South, dependent largely on their own resources but under direction and control of the

Communist regime in the North, are pressing their offensive more vigorously than ever. The political mistakes of the Diem regime inhibited the effective prosecution of the war, which is really more of a political contest than a military operation, and led to the regime's destruction.

"The counter-guerrilla effort continues to flounder, partly because of the inherent difficulty of the problem and partly because Diem's successors have not yet demonstrated the leadership and inspiration necessary.

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AUGUST 23, 1964

Theory of Soviet Amiability Revived in Secret CIA Report

Nikita Threats Are Dismissed as 'Oratory'

BY WILLARD EDWARDS
(Chicago Tribune Press Service)

Washington, Aug. 22—United States' foreign policy planners are studying a top-level intelligence report depicting Russia as an increasingly amiable power open to peaceful settlement of international disputes.

This Russia—long-mellowing theory went into temporary eclipse after the Cuban missile crisis of October, 1962. Evidence it again is thriving in the highest circles of the Johnson administration has been obtained by THE TRIBUNE.

A 47-page report dated Feb. 19, 1964, and marked "secret" has been circulated in the White House, national security council, and the state and defense departments.

Prepared by C. I. A.

Based on reports gathered by the world-wide espionage network of the central intelligence agency, it was prepared and endorsed by the board of national estimates of that agency.

It argues that the Soviet Union, under the impact of economic stress and difficulties with Red China, is losing its hostility to the west and is seeking a new kind of relationship with the United States.

This comforting theme brushes off the bellicose threats of Nikita Khrushchev, chief of international campaign organization.

Khrushchev, the report asserts, has made a decision to negotiate better relations with the United States. The source of this information is not disclosed.

Red Activity Brushed Aside

Despite the establishment of a soviet outpost in Cuba and

communist subversion and terrorism in Africa, the far east and South America, the report expresses the belief that Russia will diminish "the vigor of its revolutionary effort outside the communist world" in the future.

A dark picture was drawn of the situation in Viet Nam, where "there remains serious doubt that victory can be won" and a "prolonged stalemate" is the most to be anticipated. The report says "some kind of negotiated settlement based upon neutralization" is the only solution.

If the communist world has its troubles, they are matched by similar developments in the west, the paper asserts. Europe views the United States as "overdramatizing" its problems in Latin America and the far east. American influence in Europe is waning.

The report has a covering memorandum signed by Sherman Kent, chairman of the board of national estimates. He noted that the contents, entitled "Trends in the World Situation," had been "twice revised and supplemented after board discussion."

Johnson Heads Board

The board of national estimates of the CIA submits its findings to the United States intelligence

board, which operates within the national security council structure. The council is headed by President Johnson, with Secretary of State Dean Rusk and Defense Secretary Robert S. McNamara as its leading members.

The theme that Russia is evolving into a potential ally, having abandoned its goal of world conquest, was advanced more than two years ago in a secret strategy guide compiled by Walt W. Rostow, chairman of the state department's policy planning board.

Disclosure Stirs Furor

Disclosure of the Rostow report by this newspaper in June, 1962, caused a storm in Congress and the questioning of Rostow in secret session. He invoked executive privilege to avoid comment on a classified document. The state department declared the newspaper report had been "garbled" and "distorted."

Four months later, the late President Kennedy and Khrushchev were confronting each other in a crisis aroused by the discovery of soviet missiles in Cuba. Talk about Russia's peaceful intentions subsided for a time but in June, 1963, Kennedy again was calling for a change of attitude toward the Soviet Union.

The new report under study by the policy planners argues that the stand taken by Kennedy in the Cuban affair disillusioned soviet leaders about the usefulness of military power. It suggested the possession of military power no longer was

a predominant factor in foreign policy.

Meets Stiff Opposition

This contention, implying advocacy of a negative defense policy intended to maintain the status quo while Russia evolves into a peace-loving state, has met with spirited opposition in some government circles. The joint chiefs of staff, at the time of the nuclear test ban hearings, prepared a position paper which stated flatly that "militant Communism remains dedicated to the destruction of our society."

Summarizing its survey of "world trends," the CIA document remarks:

"It is possible in the present context of soviet policy—particularly to the extent that this policy derives from the U. S. S. R.'s appreciation of the military situation and from its own difficulties at home and within the communist world—that some movement toward the settlement of some international issues will occur."

The obstacles to a "general detente" [widespread relaxation of tensions] remained great, the paper conceded, because of such problems as Berlin and "the new tensions and problems which will arise from the disorderly character of so much of the world."

Cites Long-Run Changes

Over the "longer run," the paper continued, "we continue to believe that the gradual changes taking place in the U. S. S. R. will diminish its hostility to the west and the vigor of its revolutionary effort

outside the communist world.

"This process of change may be slowed from time to time or even halted, but it is probably irreversible . . ."

Altho the United States possesses greater striking power than Russia and could wreak much greater damage on the foe than could the latter to the United States, the size, armament, and operational capabilities of opposing military forces no longer are crucial questions, the paper argued.

" . . . one cannot find any rule for determining that a stated level of forces will deter and that another will not. Deterrence is a mental state and it depends to a preponderant degree not upon a precise level of forces but upon a variety of other factors such as how the party to be deterred estimates the military forces arrayed against him . . ."

The problems within the communist world are not only obvious but "spectacular," the paper asserted. It noted the "open quarrel" between Red China and Russia, the economic failure in China, and the Russian need to buy wheat.

But "disunity, indiscipline, and decline in ideology" in the communist world have been matched, the paper declared, by similar developments in the west. The Atlantic alliance has suffered and American influence in Europe has been reduced. In disputes between the communist world and the United States, European nations "do not want the United States to be defeated or humbled outside Europe, but neither do they wish the United States to create . . . issues of a critical character outside Europe."

"They are inclined," the paper stated, "to believe that the United States makes too much of Latin American, African, and far eastern problems, that it overdramatizes them and makes them more significant than they really are, and that steps should be taken to minimize, to quiet, or to neutralize them."

The paper was pessimistic about the future of new states in Africa. Many more eruptions of violence were predicted. "By and large, the drift seems to be toward political and social chaos."

The document was almost despairing in its consideration of the problem in Viet Nam:

"The guerrilla war in South Viet Nam is entering its fifth year, and no end appears in sight . . . There is also a chance for some kind of negotiated settlement based upon neutralization."

AUGUST 23, 1964

CIA Official: 'Neutralize' S. Viet Nam

More on Viet Nam, Page 15-A

Herald Tribune Wire

WASHINGTON—A ranking Central Intelligence Agency official believes there is "serious doubt" the Communist rebellion in South Viet Nam can be quelled and that a "prolonged stalemate" might be all the West can hope for.

This conclusion, reached in a scholarly paper called "Trends in the World Situation," promises to set off a political explosion because of Sen. Barry Goldwater's determination to make the Vietnamese war a major campaign issue. The Republican presidential candidate accuses the administration of being timid in dealing with Communists.

ALTHOUGH THE CIA was prepared to allow publication of the entire paper in a scholarly journal, the administration became concerned when it learned that one newspaper—the Chicago Tribune—had acquired a copy. The newspaper was understood to be planning a story on the document today.

The State Department attempted to reduce the impact of the story by making the paper available to a small group of reporters Friday night. At the same time, Secretary of State Dean Rusk reportedly said that the document did not represent the administration's viewpoint.

RUSK WAS SAID to have emphasized that the paper was the work of one man only—the author of it, Willard Matthias—and that it had no official status. Other sources said the paper was not an official appraisal by the CIA's Board of National Estimates, even though Matthias is a member of that important body and even though other board members saw the report and approved it in general terms.

The board consists of about 12 members and although it operates as part of CIA, it receives "input"—government jargon for a variety of contributions—from all intelligence units in the government. The board's duty is to appraise masses of intelligence reports and render its opinions as to

what it all means. The board is sometimes described as a "think factory."

THE 45-PAGE PAPER, dated June 9, 1964, touched on virtually every aspect of the cold war. Its controversial section on South Viet Nam consisted of just these few lines:

"The Guerrilla war in South Viet Nam is in its fifth year and no end appears in sight. The Viet Cong in the south, dependent largely on their own resources but under direction and control of the Communist regime in the north, are pressing their offensive more vigorously than ever. The political mistakes of the Diem regime inhibited the effective prosecution of the war, which is really more of a political contest than a military operation, and led to the regime's destruction.

"The counter guerrilla effort continues to flounder, partly because of the inherent difficulty of the problem and partly because Diem's successors have not yet demonstrated the leadership and inspiration necessary.

"There remains serious doubt that victory can be won, and the situation remains very fragile. If large scale United States support continues, and if further political deterioration within South Viet Nam is prevented, at least a prolonged stalemate can be attained. There is also a chance that political evolution within the country and developments upon the world scene would lead to some kind of negotiated settlement based on neutralization."

WHILE SOME AMERICAN officials have made remarks to this effect privately in the last few months—and while some unofficial observers have stated similar conclusions in print—the fact that these views are being expressed by a senior CIA official casts them in a different light.

The paper will probably have international, as well as domestic, political repercussions.

Officially, Washington has dismissed any talk of "neutralization" of South Viet Nam as tantamount to a victory for the Communists because no one seriously believes that North Viet Nam could be detached from the Communist bloc. President De Gaulle of France has proposed neutralization—much to Washington's displeasure—after he, too, concluded that the chances of a

NEW YORK HERALD TRIBUNE

AUGUST 23, 1964

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NEW YORK
Herald Tribune
FOUNDED BY HORACE GREELEY, APRIL 10, 1841

The Herald Tribune makes available a broad cross section of informed and responsible opinion through the views and observations of our columnists. Our own opinions are expressed in these editorials.

22 Monday, August 24, 1964

Leaky CIA

Secrecy obviously is an essential condition for conducting any intelligence activity. Yet the Central Intelligence Agency is having difficulty in meeting it.

The CIA's function is not only to gather but also to evaluate information. The second aspect can be even more important than the first. Gathering information may tell us something about the enemy's intentions. Our evaluation of it could tell the enemy something about our own. Hence it should be kept all the more secret.

The Johnson administration denies that the CIA paper on Viet Nam which fell into the hands of a Chicago paper (and therefore available to the enemy upon publication) represents either government or CIA policy. We hope not because its extremely pessimistic evaluation, repeating President

de Gaulle's proposal of "neutralization," has been rejected by Washington as a move toward surrendering the region to the Communists.

The CIA paper, whether the work of only one man, as Secretary Rusk maintains, or of more than one is nevertheless a CIA paper. It may have been just another "think piece," such as most government agencies and newspapers ask their staffs to write. But CIA thinking, individual or collective, is supposed to be secret because it is related to what is supposed to be intelligence at the highest level.

Generalizing a leak to one paper by making it available to all may help defuse domestic political repercussions to a potentially damaging evaluation. But it does not help restore confidence in the CIA either at home or abroad.

The New York Times.

Published every day in the year by The New York Times Company

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Intelligence on Vietnam

The publication of a Vietnam evaluation made inside of the nation's most responsible intelligence bodies adds an important new element to appraisal of the war in Southeast Asia. The evaluation is that there is "serious doubt that victory can be won" and that, at best, "a prolonged stalemate" might be achieved. The study looks to the possibility of "some kind of negotiated settlement based upon neutralization."

True, the text of this document was released, after a leak, as a means of denying that it represents Administration policy. But the study was prepared in June by a member of the Board of National Estimates of the Central Intelligence Agency. Other board members read and approved it in general terms. And, as Times correspondent Jack Raymond reported from Washington yesterday, qualified officials now confirm what has been long suspected—it reflects a view "widely held in the Government and the subject of recurrent official discussion."

This confirmation should be followed by a full, frank, realistic report on the facts which led to this C.I.A. assessment, so that the country can judge for itself whether the Administration is right to reject it. Two arguments have been made by Washington in the past in spurning similar proposals. One is that a negotiated peace would open the way to a Communist takeover unless there were enforceable guarantees of Vietnam's independence. The other is that impressive military victories are needed first to enable the anti-Communist forces

to negotiate from strength.

These arguments are unconvincing. The guarantee needed to enforce a settlement must be an integral part of any agreement. But few are likely to be offered by the Communists while the official American position is that any conference is unthinkable. As for negotiating from strength, Tonkin Gulf adequately demonstrated the naval and air supremacy of the United States in Southeast Asia. The one-third increase in American military personnel now under way gives evidence of American determination on the ground as well. This increased military aid should be linked with a parallel diplomatic effort to explore an accommodation that protects South Vietnam's independence, although it is probably unrealistic to expect that any effort along this line will be made until after the American Presidential elections are over.

Undoubtedly, it is as clear to the Vietcong as it is to the C.I.A. that, after five years of guerrilla war, "no end appears in sight." The Communists know that their terrorist attacks can maintain an atmosphere of insecurity. But they can have few illusions that they, any more than Saigon, can achieve military victory. Both sides are confronted equally with the unattractive prospects of a prolonged stalemate. The time has come to find out whether Hanoi and Peking, on one side, and Saigon and Washington, on the other, can end this wasting confrontation by establishing a truly neutral Vietnam with enforceable devices for keeping both North and South independent.

AUGUST 23, 1964

C.I.A. Aide Suggests Saigon 'Settlement'

By JACK RAYMOND

Special to The New York Times

WASHINGTON, Aug. 22—An official of the Central Intelligence Agency has suggested the possibility of "some kind of negotiated settlement" of the hostilities in South Vietnam.

According to the proposal, which was made public but not endorsed by Administration sources, the negotiated settlement would be based upon neutralization of the area.

Willard Matthias, a member of the agency's Board of National Estimates, one of the highest units in the body, was the author of the suggestion in a 50-page working paper dated June 8.

Administration officials emphasized that it did not reflect official United States policy. It was apparently made available because a copy was said to have been obtained by The Chicago Tribune, which indicated it planned to print excerpts.

Mr. Matthias observed in his paper that there was "serious doubt that victory can be won." He indicated that, at best, "a prolonged stalemate" might be achieved.

His paper was entitled "Trends in the World Situation."

When it was made available to the press it had a cover sheet, signed by Sherman Kent, chairman of the Board of National Estimates, stating that the papers had "general board approval, though no attempt has been made to reach general agreement on every point of it."

A colleague of Mr. Matthias described the paper as very thoughtful and said it had been distributed "because it was though-provoking."

He said the best way to describe it was as a "think piece," typical of many distributed throughout the agencies of Gov-

Qualified sources said, however, that while Mr. Matthias's views on negotiating a settlement did not reflect the official United States position, they were widely held in the Government and the subject of recurrent official discussions.

'Guarantees' Urged

An opinion that is often put forward in these discussions holds that negotiation simply to bring to an end to hostilities would be wrong without "self-enforcing" guarantees that the South Vietnamese would be left in peace.

At the same time, it is held that negotiation could be contemplated by both Washington and Saigon after military stabilization had been brought about by impressive victories against the Communist Vietcong.

On this point, however, Mr. Matthias's paper was gloomy. He wrote:

"The guerrilla war in South Vietnam is in its fifth year and no end appears in sight. The Vietcong in the south, dependent largely upon their own resources but under the direction and control of the Communist regime in the north, are pressing their offensive more vigorously than ever.

"The political mistakes of the Diem regime inhibited the effective prosecution of the war, which is really more of a political contest than a military operation, and led to the regime's destruction.

"The counter-guerrilla effort continues to flounder, partly because of the inherent difficulty of the problem and partly because Diem's successors have not yet demonstrated the leadership and inspiration necessary.

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"There is also a chance that political evolution within the country and developments upon the world scene could lead to some kind of negotiated settlement based upon neutralization."

The Administration has consistently turned away proposals for neutralization as an outcome of the hostilities in South Vietnam. President de Gaulle of France, in his proposals for such a settlement, has been rebuffed repeatedly at the White House and the State Department.

However, from time to time members of Congress have displayed a positive interest in the neutralization proposals. The Senate majority leader, Mike Mansfield, urged the Administration last February to encourage rather than spurn the French efforts to negotiate with Communist China for a settle-

CIA Viet Paper Is Called 'One Man's Opinion'

WASHINGTON, Aug. 22 (UPI). — High administration officials said today that a central intelligence Agency document declaring that victory over the Communist in South Viet Nam is doubtful and that eventually it may be necessary to make a "neutralization" deal, does not represent U.S. policy.

The 45-page paper, prepared by Willard Matthias of CIA's Board of National Estimates attempts to assess development in various parts of the world within the framework of the Soviet-American power relationship.

STIRS OFFICIALS

It was written early this year. It has been circulated among various government agencies with a notation that it had "general approval" of the CIA board which had, however, made no attempt "to reach complete agreement on every point of it."

Administration officials were obviously disturbed by the possible political implications of the document at this time inasmuch as Republican presidential nominee Barry Goldwater is charging them with a "no win" foreign policy.

NEVER CONSIDERED

They said they wanted to emphasize that the paper had never been presented to, or considered by, President Johnson's National Security Council, nor the top level U.S. intelligence estimate board.

Official sources disclosed existence of the document when they learned it had been offered for publication as a major outline of American policy. They asserted that this was not true and that the ideas were, as one official put it, "only one man's opinion."

Aside from the Viet Nam neutralization reference, the document appeared to be a routine summary of the obvious changes brought about by the nuclear stalemate of terror between Russia and the United States, complicated by the Red Chinese — Russian ideological

VIET VICTORY DOUBT VOICED

CIA Official Suggests Negotiation With Reds

Viet students set deadline for reformPage 2

Washington, Aug. 22 (AP)—A CIA officer has voiced "serious doubt that victory can be won" in South Vietnam and has suggested the eventual outcome might be a negotiated settlement.

Administration sources said today this is not the United States Government view.

"Prolonged Stalemate"

The conclusion that no military end to the war against Red guerrillas is in sight was expressed by Willard Matthias, a member of the Central Intelligence Agency's board of national estimates, in a June 8 paper on "Trends in the World Situation."

Matthias wrote that the Communist Viet Cong have stepped up their offensive and the counter-guerrilla effort "continues to flounder" under poor prosecution by the Saigon Government.

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Matthias said there is also a chance that future developments "could lead to some kind of negotiated settlement based upon neutralization." French President Charles de Gaulle has suggested neutralization of the area, an idea received coolly by the United States Government.

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"More Political Than Military"

"The political mistakes of the Diem regime inhibited the effective prosecution of the war, which is really more of a political contest than a military operation, and led to the regime's destruction. The counter-guerrilla effort continues to flounder, partly because of the inherent difficulty of the problem and partly because Diem's successors have not yet demonstrated the leadership and the inspiration necessary.

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longed stalemate can be attained. There is also a chance that political evolution within the country and developments upon the world scene could lead to some kind of negotiated settlement based upon neutralization."

Expressing Own Views

In releasing the paper, Administration sources emphasized these views:

1. Matthias was expressing his own views, not those of the United States Government or of any agency within the Government. Members of the national intelligence estimates board, a twelve-man CIA committee, and others have written numerous papers which are valuable for circulating ideas but do not represent policy.

2. Matthias's memo was circulated among a few lower-ranking officials but was never given to the policy-setting National Security Council. It was submitted for publication to a magazine, which turned it down.

U.S. Fully Committed

3. The anti-guerrilla campaign in South Vietnam may be long and arduous, but the United States is fully committed to stemming the insurgents there, and believes this will be done.

4. The United States government also sees no grounds for negotiation with the Reds over South Vietnam at this time. A negotiated settlement has already been reached at the Geneva conferences on Indo-China and it is up to the Geneva accords by their guerrilla aggression.

Release of CIA Report Has Political Overtones

By Murrey Marder
Staff Reporter

The State Department released an unpublished Central Intelligence Agency memorandum on world trends yesterday in a move that had more implications of politics than foreign policy.

Release of the document was precipitated by a story on the same report written for publication today by reporter Willard Edwards of the Chicago Tribune News Service. The Chicago Tribune story suggested that the document was an official internal analysis of secret Administration policy. The State Department acted to counter that implication.

What gave particular significance to the sequence of disclosures is that they came on the eve of the opening of the Democratic National Convention and centered on two politically sensitive themes: (1) a forecast in the report that Soviet "hostility toward the West" is likely to diminish and (2) an expression of strong doubt that "victory can be won" against Communist guerrillas in South Viet-Nam.

Memorandum Shown

State Department officials showed newsmen a 45-page memorandum, entitled "Trends in the World Situation," written

by Willard Matthias of the Board of National Estimates of the CIA.

Officials said the Matthias document is "a think piece" that does not represent official policy, and dozens of similar documents circulate constantly. They said it was never considered or approved by either the United States Intelligence Board, or by the National Security Council that is headed by President Johnson, with Secretary of State Dean Rusk and Secretary of Defense Robert S. McNamara among its members. Officials said the Matthias memorandum circulated only at lower levels in the Government.

Two years ago, a similar dispute broke out over a Chicago Tribune account of a 160-page survey of foreign policy by Walt W. Rostow, chairman of the State Department Policy Planning Council.

Dirksen Is Critical

Senate Republic Leader Everett M. Dirksen and Sen. Barry M. Goldwater (R-Ariz.) assailed what they charged was Rostow's theme that the Soviet Union is "mellowing." The dispute intensified GOP charges that the Kennedy Administration was following a "no-win" policy.

Rostow emerged from a hearing before the Senate Foreign Relations Committee with the Democrats singing his praises for "toughness

on Communism, and Dirksen declaring that the incident was only "round number one" of a long fight. That document was never made public.

The Chicago Tribune account said the current document depicts the Soviet Union "as an increasingly amiable power open to peaceful settlement of international disputes."

That article described the document as a 47-page report, dated Feb. 19, 1964, marked "secret," and circulated in the White House, National Security Council, State and Defense Department. It said a covering memorandum signed by Sherman Kent, chairman of the Board of National Estimates of the CIA, said the document received "general Board approval, though no attempt has been made to reach complete agreement on every point of it" and it was being "circulated for information."

Difference in Dates

The State Department made public a document with the same identification and quotations, although it is dated June 9, 1964, and is not marked "secret" but carries the marking, "official use only." That is the lowest security classification, which some agencies, including the State Department, have eliminated because of its marginal inhibitions.

Much of the Matthias report reflects the Administration's well known and publicly stated major foreign policy theme: That the Cuban crisis of 1962, and the open Sino-Soviet conflict, have altered world power relations, with the United States and the Soviet Union tacitly acknowledging that a nuclear balance of terror exists in the world, encouraging them to search for limited areas of East-West agreement, while their basic differences are still constant. The 1964 Republican platform, and Sen. Goldwater, the GOP nominee for President, reject much of that evaluation.

But the most controversial section concerns South Viet-Nam. The Matthias review states:

"The guerrilla war in South Viet-Nam is in its fifth year and no end appears in sight. The Viet Cong in the South, dependent largely upon their own resources but under the direction and control of the Communist regime in the North, are pressing their offensive more vigorously than ever..."

'Political Contest'

It describes the conflict as "more of a political contest

Continued

than a military operation" and states that the heavily American-supported counter-guerrilla effort, "continues to flounder . . ."

"There remains serious doubt that victory can be won, and the situation remains very fragile. If large-scale U.S. support continues and if further political deterioration within South Viet-Nam is prevented, at least a prolonged

stalemate can be attained. There is also a chance that political evolution within the country and developments upon the world scene could lead to some kind of negotiated settlement based upon neutralization."

State Department officials emphasized that those views on Viet-Nam, including talk of "neutralizing" it, are contrary to U.S. policy.

In East-West relations, the Matthias review finds that the late President Kennedy's firmness in the Cuban missile crisis "encouraged the Soviets to seek a new kind of relationship with the U.S. and made clear the limits of American patience and hope."

Obstacles Noted

While it is likely that "some movement toward the settle-

ment of some international issues will occur," the "obstacles to a general detente are very great," the report states. The obstacles, it says, will be the Soviets' "basically hostile attitude toward the West" and "new tensions and problems" that will arise in a "disorderly world" where neither great nuclear power can effectively employ that power to exert its will.

The "chances are good," however, the report finds, that "gradual changes taking place in the U.S.S.R. will diminish its hostility to the West and the vigor of its revolutionary spirit outside the Communist world." The report concludes that "for the next several years at least the world may be replete with strife and disorder but not on the verge of nuclear disaster."

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CIA Report Worries Officials

Administration officials are disturbed by the possible political repercussions of a Central Intelligence Agency document which contains an implication that a compromise with the communists may eventually be necessary in the South Viet Nam power struggle.

The 45-page paper, prepared by Willard Matthias of CIA's Board of National Estimates, attempts to assess developments in various parts of the world within the framework of the Soviet-American power relationship.

It was written earlier this year. It has been circulated among various Government agencies with a notation that it had "general approval" of the CIA board, which had, however, made no attempt to reach complete agreement on every point of it.

The political implications of the report are obvious, inasmuch as Republican presidential candidate Barry M. Goldwater is charging the Johnson Administration with a "no-win" foreign policy.

Administration officials say they want to emphasize that the paper has never been presented to or considered by President Johnson's National Security Council or the top level U. S. Intelligence Estimate Board. (UPI)